

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 219 - HB 307

February 6, 2013

SUMMARY OF BILL: Specifies that the Tennessee Uniform Commercial Code (UCC) applies to funds transfers that are remittance transfer as defined in the federal Electronic Fund Transfer Act (EFTA), unless the remittance transfers are also electronic fund transfers as defined in EFTA. Declares that, in the event of an inconsistency between UCC and EFTA, EFTA's applicable provisions will govern.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 47-4A-108, UCC does not apply to fund transfers that are governed by EFTA.
- EFTA does not currently apply to remittance transfers that are not also electronic fund transfers, and such transfers are currently governed by UCC.
- Upon passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act, certain provisions of EFTA will apply to such transfers, once implemented by the federal Consumer Finance Protection Bureau (CFPB). Therefore, under current law, once CFPB implements the applicable provisions of the Act, remittance transfers that are not also electronic fund transfers will no longer be subject to the UCC.
- The proposed bill will place such transfers back under UCC's governance, except in the event of an inconsistency between UCC and EFTA, in which case EFTA will govern.
- The Department of Financial Institutions indicates this bill will not result in a significant fiscal impact on the Department.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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